



United States
Department of
Agriculture

Food and
Consumer
Service

Mountain
Plains
Region

1244 Speer Boulevard
Denver, CO
80204-2581

Reply to
Attn of:

SFSP-421

JAN 26 2001

Subject:

Implementation of the Summer Food Service Program (SFSP)
Pilot Projects Authorized by the Consolidated Appropriations
Act, 2001

To:

ALL STATE AGENCY DIRECTORS - Colorado ED, Iowa, Kansas,
(Child Nutrition Programs) Missouri Health, Montana OPI,
Nebraska, North Dakota, South
Dakota, and Utah

Attached is a memorandum sent from our office via e:mail on
January 19, 2001 which implements Public Law 106-554,
Consolidated Appropriation Act, 2001. The memorandum
addresses a cost comparison provision in the SFSP for
selected States.

We are sending the information under an SFSP numbered
memorandum so there is a reference point if any questions
should arise.

MARY C. NIELSEN
Acting Regional Director
Child Nutrition Programs

Attachment



United States
Department of
Agriculture

JAN 19 2001

Food and
Nutrition
Service

SUBJECT: Implementation of the Summer Food Service Program (SFSP) Pilot
Projects Authorized by the Consolidated Appropriations Act, 2001

3101 Park
Center Drive
Alexandria, VA
22302-1500

TO: Regional Directors State Director
Child Nutrition Programs Summer Food Service Program
All Regions All States

The Consolidated Appropriations Act, 2001 (Pub. L. 106-554), which was signed into law on December 21, 2000, authorizes SFSP pilot projects to increase the number of children participating in the program in States with low participation rates. The new authority for these pilot projects is in section 18(f) of the Richard B. Russell National School Lunch Act (NSLA) (42 U.S.C. 1769(f)). The pilot projects will operate from fiscal year (FY) 2001 through FY 2003 and enable public and certain other sponsors in the eligible States to eliminate the operating and administrative cost comparisons required by sections 13(b)(1)(A) and (b)(3) of the NSLA and the SFSP regulations at 7 CFR 225.9(d)(7) and (d)(8). This provision applies to government sponsors, public and private nonprofit school food authority sponsors, public and private nonprofit National Youth Sports Program sponsors, and public and private nonprofit residential camp sponsors. The law specifically excludes all other private nonprofit organizations from the pilot projects.

State eligibility for participation in these pilot projects is based on a formula described in section 18(f)(1) of the NSLA. Based on this formula, 14 States qualify for participation in the pilot projects. These States are (by region):

NERO - New Hampshire

MARO - Puerto Rico

SERO - Kentucky

MWRO - Indiana

SWRO - Arkansas, Oklahoma, Texas

MPRO - Iowa, Kansas, Nebraska, North Dakota, Wyoming

WRO - Alaska, Idaho

We must emphasize that sponsors participating in these pilot projects must continue to maintain a nonprofit food service for children, as required by section 13(a)(1) of the NSLA. Benefits to children and the quality of program administration must not be diminished by this reduced burden for sponsors. Even though they will receive administrative and operating reimbursement payments without comparison to actual costs and their administrative budgets, they may only use operating and administrative funds to pay for allowable costs, as defined in the SFSP regulations at 7 CFR 225.2 and applicable

FNS instructions. In addition, sponsors must maintain records of expenditures. Finally, State agencies should remind sponsors that they must continue to submit an administrative budget with their annual application to participate in the SFSP. State agencies should review the budgets to ensure that sponsors are capable of properly administering the program.

The authority for these pilot projects is effective beginning October 1, 2000. Therefore, any sponsors that qualify for participation in these pilot projects may amend any claims that have been submitted for the FY 2001 period to request the maximum reimbursement amount they are entitled to receive under this provision.

We want to encourage State agencies to review their SFSP payment systems to determine if a system or procedural modification will be needed to allow program payments to be made without a comparison to costs for eligible sponsors.

Section 13(f)(5) of the NSLA requires FNS to conduct an evaluation at the conclusion of these pilot projects. We will provide you with information on the data needed to conduct this evaluation at a later date. In the meantime, please keep us informed of any problems or issues that arise with the implementation of these pilot projects.



STANLEY C. GARNETT
Director
Child Nutrition Division